



# Missouri Department of Natural Resources Energy Center

## MISSOURI ENERGY BULLETIN

December 22, 2005

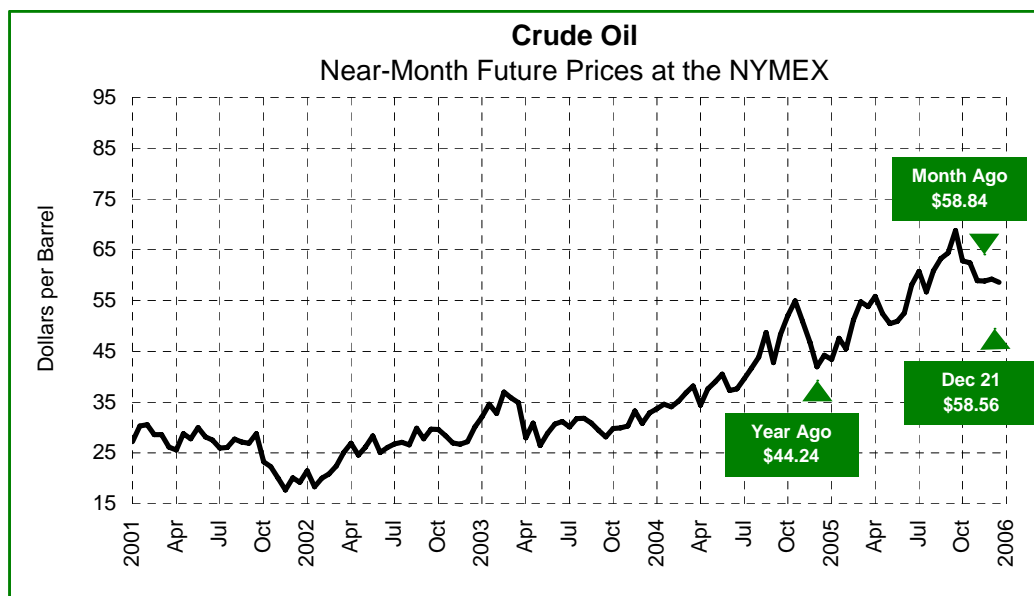
### Crude Oil

On Dec. 21, NYMEX crude oil futures closed at \$58.56 per barrel, continuing to trade well within a price band of \$57 to \$61 per barrel since the beginning of December.

*Crude Oil - Near Month Future Prices (dollars per barrel)*

	<u>12-21-05</u>	<u>11-22-05</u>	<u>change</u>	<u>12-22-04</u>	<u>change</u>
NYMEX	\$58.56	\$58.84	down 1%	\$44.24	up 32%

- Crude oil futures for February delivery on the NYMEX increased \$0.47 on Dec. 21 to settle at \$58.56 per barrel in response to U.S. Energy Information Administration (EIA) data showing a rise in U.S. crude oil inventories against a backdrop of lower imports and refined products for the week ending Dec. 16. Crude prices have remained strong throughout December trading well within a price band of \$57 to \$61 due to higher consumer demand for petroleum products.



- EIA reports U.S. crude supplies rose 1.3 million barrels to 322.5 million barrels, and now stand 26.6 million barrels above last year's level at this time of year. According to the U.S. Minerals Management Service (MMS), as of Tuesday, Dec. 13, approximately 0.4 million barrels or 28% of daily production of the Gulf's 1.5 million barrels per day of crude production continues to be shut down.
- For the week ending Dec. 16, U.S. crude oil production remained flat at 4.9 million barrels per day.

Current production is below the 5.4 million barrels per day reported at this time last year. Crude oil imports decreased 570,000 barrels moving from 10.4 million to 9.8 million barrels per day. Crude oil imports were estimated at 10.5 million barrels per day at this time last year.

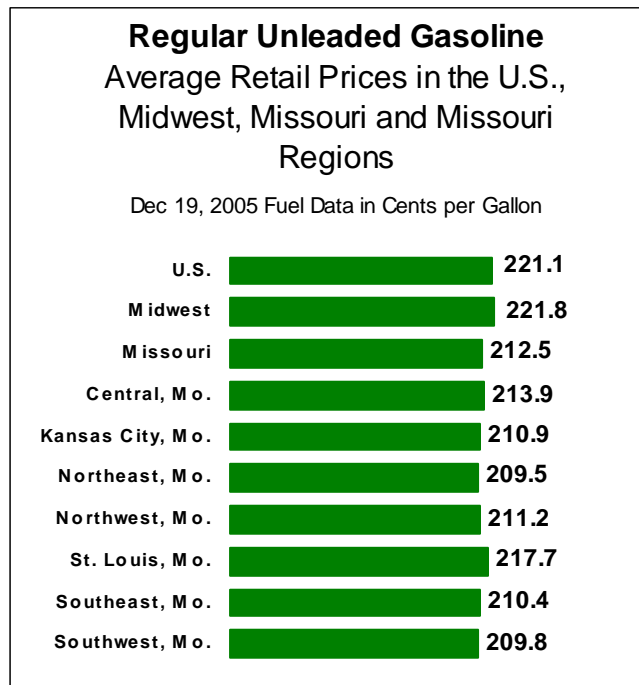
- Refinery runs fell by 1.6 percent to 88% of capacity and may indicate maintenance issues are affecting production at refineries. Refineries had to run at high levels to make up for the 5% of refining capacity that remains offline due to damage sustained in Hurricanes Katrina and Rita.

## Transportation Fuels

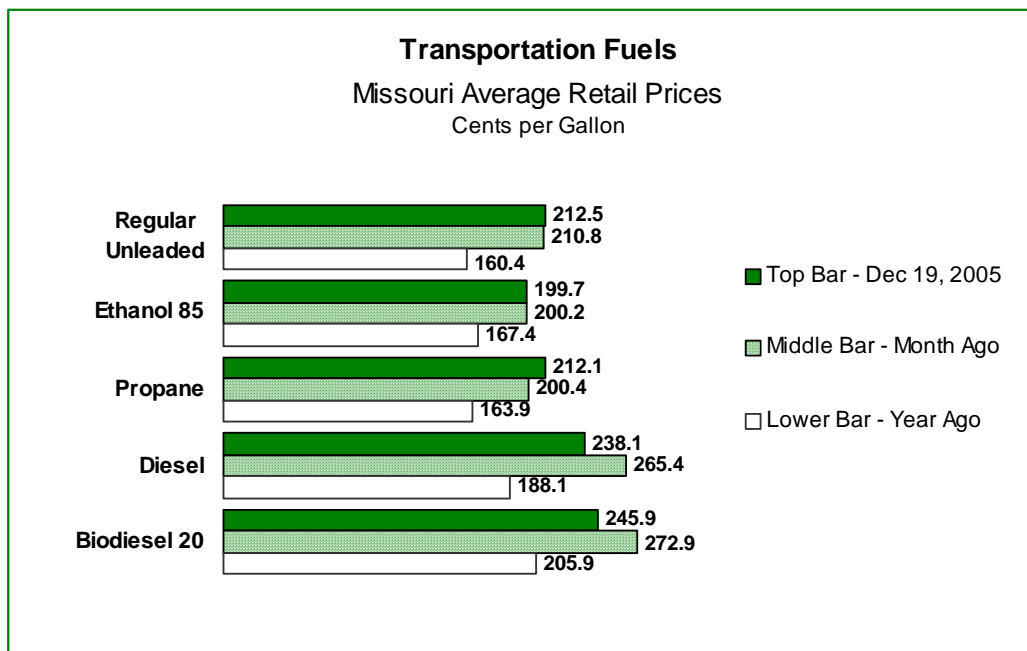
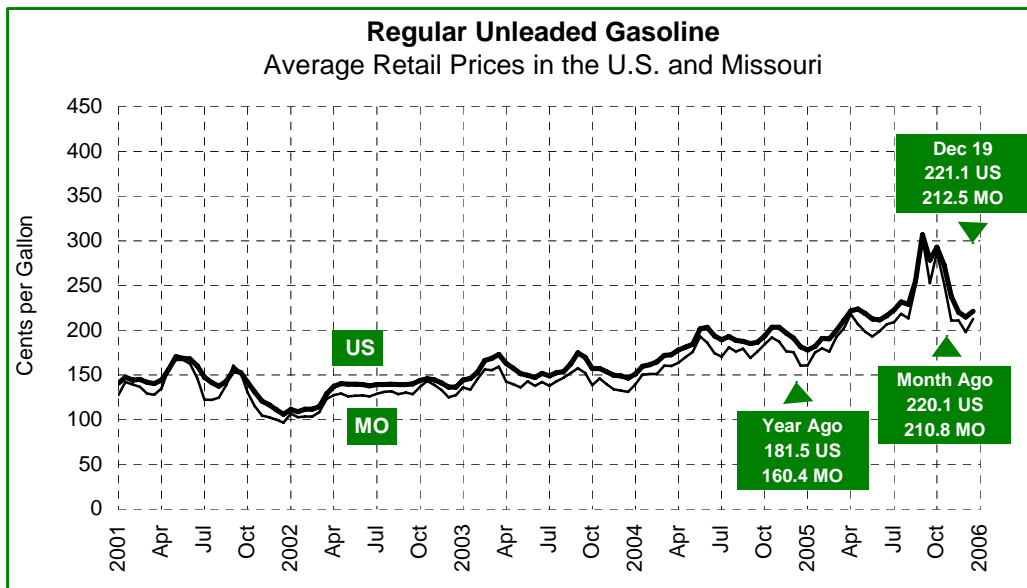
On Dec. 19, Missouri's average retail price for regular unleaded gasoline and diesel fuel was \$2.12 and \$2.38 per gallon, respectively. Price increases may be related to declines in product inventory and increased consumer demand.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>12-19-05</u>	<u>11-21-05</u>	<u>change</u>	<u>12-20-04</u>	<u>change</u>
US	221.1	220.1	up 1%	181.5	up 22%
Missouri	212.5	210.8	up 1%	160.4	up 32%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>12-19-05</u>	<u>11-21-05</u>	<u>change</u>	<u>12-20-04</u>	<u>change</u>
Missouri	238.1	265.4	down 10%	188.1	up 27%



- On Dec. 19, Missouri's statewide average gasoline and diesel retail prices were up 1 and down 10 percent, respectively, than at this time last month. Missouri's average retail price for diesel fell 27 cents from last month due to an improvement in domestic diesel supplies.
- Distillate stocks, which include heating oil and diesel fuel, increased 2.8 million barrels to 127.7 million barrels. Distillate supplies are now 7.8 million barrels higher than at this time last year.



- For the week ending Dec. 16, U.S. gasoline stocks decreased 0.3 million barrels to 204.1 million barrels. Demand reached a new record for December at 9.3 million barrels per day compared to just 9 million at this time last year. Gasoline imports fell 262,000 barrels per day to 994,000 barrels per day. Gasoline supplies are down 10.4 million barrels from a year ago.

## Coal

Coal - Spot Prices (dollars per ton)					
	<u>Nov '05</u>	<u>Oct '05</u>	<u>change</u>	<u>Nov '04</u>	<u>change</u>
Powder River	\$17.00	\$11.17	up 52%	\$6.31	up 169%

- According to the EIA as of December 15, Wyoming Powder River Basin (PRB) coal spot prices nearly tripled between December 2004 and the week ended October 21, 2005, when prompt-quarter spot prices averaged \$16.89 per short ton. The price surge in October may have been prompted by

localized shortages of low-sulfur coal and by the record price inflation in sulfur dioxide (SO<sub>2</sub>) emission allowances.

- Rising coal costs in turn were aggravated by a large demand increase for coal supplies. Industrial consumers and power producers could not secure enough natural gas following widespread damage in the U.S. producing area by the late summer hurricanes in Louisiana, Mississippi, and Texas. Higher prices in the past several weeks in PRB spot prices may be related to a lack of rail capacity.

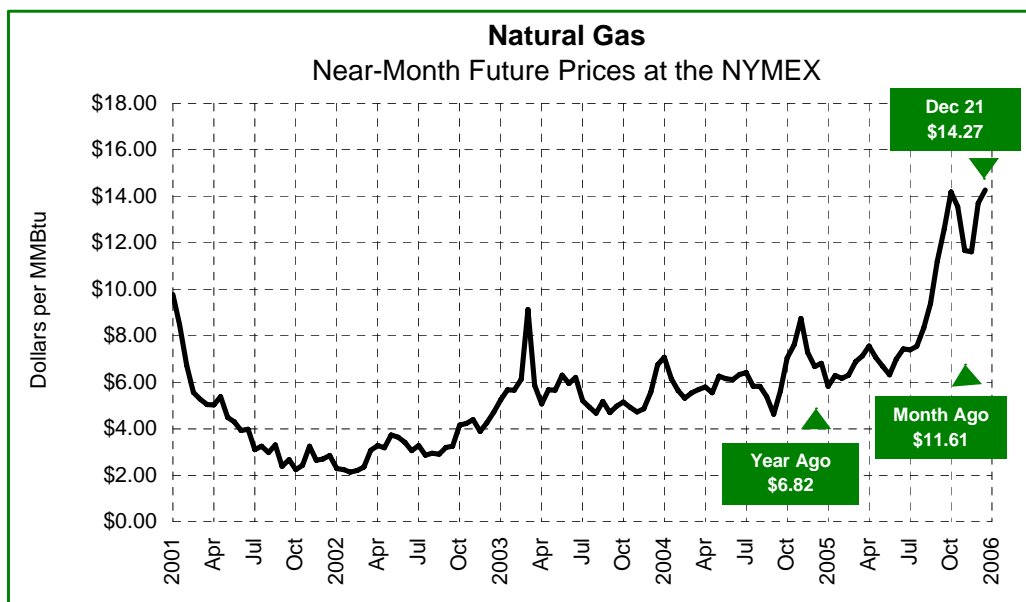
## Natural Gas

Approximately 57 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

**On Dec. 21, natural gas futures closed at \$14.27 per MMBtu, an increase of \$2.66 since last month and \$7.45 or 109 percent higher than this time last year due to space heating demand and lost natural gas production in the Gulf of Mexico.**

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	12-21-05	11-22-05	change	12-22-04	change
NYMEX	\$14.27	\$11.61	up 23%	\$6.82	up 109%

- On Dec. 21, the price of the NYMEX futures contract for January delivery settled at \$14.27 per MMBtu. Colder-than-normal temperatures continue to contribute to widespread price increases in natural gas spot markets since the first week of December on the basis of strong heating demand.
- Working gas in underground storage decreased to 2,964 Bcf as of Friday, December 9, 2005, according to EIA's Weekly Natural Gas Storage Report. Inventories are now 3.7 percent or 107 Bcf above the 5-year average of 2,857 Bcf. The Minerals Management Service (MMS) reports 2,312 million cubic feet or 23% of daily natural gas production in the Gulf Coast region remains shut down.
- According to the EIA as of Dec. 6, on average, households heating primarily with natural gas likely will spend \$281 (38 percent) more for fuel this winter than last winter (Oct. 2005 - March 2006).



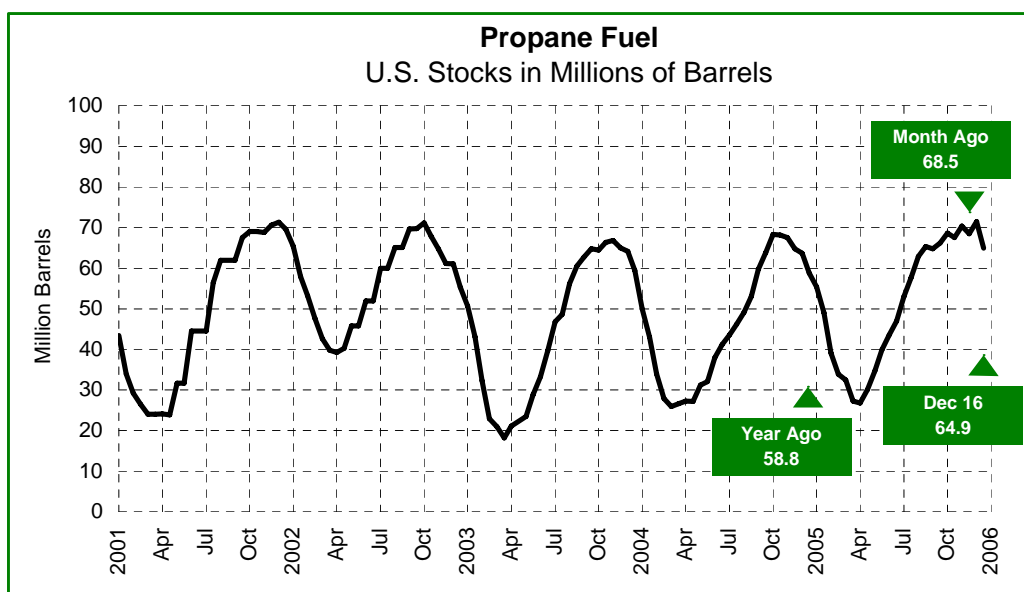
## Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

**Missouri's average retail propane price was \$1.70 per gallon on Dec. 19, up 5.5 cents from a month ago and 17.4 cents or 11 percent higher than a year ago.**

<i>Propane - Residential Prices (cents per gallon)</i>					
	<u>12-19-05</u>	<u>11-21-05</u>	<u>change</u>	<u>12-20-04</u>	<u>change</u>
Missouri	170.6	165.1	up 3%	153.2	up 11%

- U.S. inventories of propane moved sharply lower by 3.6 million barrels last week as cold weather continued to grip portions of the Midwest and East Coast, leaving inventories as of December 16, 2005 at an estimated 64.9 million barrels. Inventories have dropped by about 6.6 million barrels since the start of the month, or about 60 percent of the 5-year average for December.
- Midwest inventories posted a decline of 1.9 million barrels, moving from 22.3 to 20.4 million barrels for the week ending December 16. Inventories stood at 20.2 million barrels at this time last year.
- Lower U.S. production, a decrease in propane imports and an increase in space heat demand contributed to the supply loss in propane inventories over the past week.
- According to the EIA as of Dec. 6, households heating primarily with propane can expect to pay, on average, \$167 (15 percent) more this winter than last (Oct. 2005 - March 2006).



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

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